

Honolulu Authority for Rapid Transportation Annual Report for Fiscal Year 2015

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POWERS, DUTIES, AND FUNCTIONS

The Honolulu Authority for Rapid Transportation (HART) is authorized to develop, operate, maintain, and expand the high-capacity fixed guideway rapid transit system of the City and County of Honolulu. Among its responsibilities are directing the planning, design, and construction of the fixed guideway system, and operating and maintaining the system; preparing and adopting annual operating and capital budgets; applying for and receiving grants of property, money and services, and other assistance for capital or operating expenses; making administrative policies and rules to effectuate its functions and duties; and to promote, create, and assist transit-oriented development (TOD) projects near fixed guideway system stations that promote transit ridership.

HART is governed by a ten-member Board of Directors that directs the organization's policy. The administration of the authority is overseen by its Executive Director and CEO.

MISSION

HART's mission is to plan, design, construct, operate, and maintain Honolulu's high-capacity, fixed guideway rapid transit system.

ACCOMPLISHMENTS

OVERVIEW

During Fiscal Year 2015, HART's fourth year of existence, the agency, the HART Board of Directors, staff, and consultant team made significant progress toward achieving the vision of bringing a quality rail transit system to Oahu.

Most notably, HART secured funding for the completion of the Honolulu Rail Transit Project (H RTP) with the passage of the extension of the General Excise Tax (GET) surcharge.

HART has made great strides in construction in FY 2015, with 176 columns constructed, more than 1,500 concrete guideway segments erected, and 130 guideway spans between columns in place as of June 26, 2015. All told, more than three miles of guideway are now complete. The shell of the first rail car has also been completed.

HART, Ansaldo Hawaii Joint Venture (AHJV), the city Department of Transportation Services (DTS), and Oahu Transit Services (OTS) continued their work in exploring synergies and efficiencies in building, maintaining, and operating the H RTP, as well as bus/rail multimodal opportunities.

BUDGET AND FINANCE

Budget

The FY 2016 Operating and Capital Budgets were submitted to the Mayor and the City Council for their consideration and input. The budgets did not include any request for city general fund monies. However, the Operating Budget included funds for reimbursement to the city's general fund for staff support from various city departments and Central Administrative Services expense. The budgets were adopted by the Board on June 25, 2015 in the following amounts:

Operating Budget	\$29,212,000
Capital Improvement Budget	<u>\$422,249,700</u>
Total FY 2015 Approved Budget	\$451,461,700

Funding

Local funding for the H RTP from the one-half percent (0.5 percent) GET county surcharge totaled \$1.469 billion from January 2007 through April 2014.¹ The Hawaii State Legislature passed legislation in May 2015 that would extend the GET surcharge through 2027; House Bill 134 became law on July 14, 2015.

Federal Section 5309 New Starts revenue appropriated for HART to date is \$1.056 billion. If Congress appropriates the \$250 million included in the FY16 Transportation and Housing and Urban Development appropriations bills, federal funding for HART will be \$1.306 billion against a total of \$1.55 billion in the Full Funding Grant Agreement.

In cooperation with the Department of Budget and Fiscal Services (BFS), DTS, and the Mayor, HART executed a Memorandum of Understanding (MOU) with the City and

¹ As of June 30, 2015

County of Honolulu, which memorializes a plan to decrease the total amount to be borrowed, achieving optimum financing cost, and providing protection to the city's financial condition. The plan will result in an effective savings of approximately \$60 to 75 million.

PLANNING, UTILITIES, PERMITS, RIGHT-OF-WAY

Planning and Environmental

The Planning and Environmental Division again played a key role in securing the clearances necessary for the H RTP to advance, including acceptance of HART's burial treatment plan by the Oahu Island Burial Council, acceptance by the state Historical Preservation Division of the Archaeological Inventory Survey plan for the City Center section, and completion of key environmental post-Record of Decision documents for the Federal Transit Administration (FTA).

HART continued to coordinate with and support other entities with regard to TOD, including the Department of Planning and Permitting (DPP), which has primary responsibility for developing TOD neighborhood plans and zoning regulations for station TOD areas. HART also participated in the city Managing Director's TOD group – part of the Mayor's initiative to “build rail better.”

Utilities and Permits

During FY 2015, the division oversaw utility relocation work in the first ten miles. HART staff worked to resolve issues with third party utilities, the power supply needs of the Rail Operations Center (ROC, formerly known as the Maintenance and Storage Facility), and on future relocation issues, particularly along Dillingham Boulevard.

Right of Way

The Right of Way Division was very active in FY 2015; to date it has acquired access to approximately 90% of the land area required for the H RTP while remaining under budget by \$10.4 million. Out of the 234 property acquisitions identified as needed for the H RTP, HART has acquired 81 properties. Out of 124 identified relocations, HART has completed 83.²

ENGINEERING, DESIGN AND CONSTRUCTION

Core Systems

AHJV is responsible for the design, construction, and delivery of 20 four-car vehicles and a train control system, which it will also operate and maintain over a 10-year period.

Elevators & Escalators Manufacture-Install-Maintain

² HART Fiscal Year 2016 Business Plan

Schindler Elevator Corporation completed equipment design in FY 2015. The substantial completion date will change to a later date predicated on the award of the design-build contracts for the east portion of the guideway.

Fare Collection System

Major progress was made in the area of fare collection, which is a joint effort between HART and DTS, the Department of Information Technology (DIT), and BFS. HART's new fare collection project manager assisted the Board in making decisions regarding a barrier fare collection system and pursuing procurement of a joint rail and bus fare collection system utilizing account-based smart cards. HART and DTS have substantially completed the drafting of an MOU memorializing the terms of the joint fare system, which would enable seamless transfers between bus and rail. Development of a request for procurement for the fare collection system is expected this summer, with manufacture scheduled for fall 2016.

WOFH Guideway

Construction in the westernmost section of the H RTP alignment has continued to advance. To date, 176 columns have been constructed, with 130 spans between columns, comprising more than three miles of guideway built.³ Guideway construction has progressed eastward over Fort Weaver Road, and the balanced cantilever structure near the H-1 and H-2 merge is expected to be completed in July.

West Oahu Station Group

The West Oahu Station Group comprises three stations – East Kapolei, UH West Oahu, and Hoopili – that were reallocated from a larger nine-station package in FY 2015 as part of HART's cost mitigation strategy. The West Oahu Station Group construction contract bids are currently being evaluated, with the contract award anticipated in the first quarter of FY 2016.

Farrington Highway Station Group

The Farrington Highway Station Group (West Loch, Waipahu Transit Center, and Leeward Community College Stations) were also reassigned from the larger station package as a cost-saving measure. The construction contract was awarded to Hawaiian Dredging in June 2015.

Rail Operations Center (formerly Maintenance and Storage Facility)

The ROC consists of the Operations and Servicing Building, Maintenance of Way, Train Wash Facility, and Wheel Truing Building. Significant progress was made in FY 2015 on the ROC. The exterior walls of three of the structures have been raised, and tracks are being laid in the yard. The ROC is on schedule to be completed by spring 2016, in time for the start of delivery of the first rail cars.

Kamehameha Highway Guideway (KHG)

³ As of July 6, 2015

Work on the KHG section in FY 2015 focused on utility relocations, foundation test and method shafts, and road widening. To date, 32 foundation shafts have been dug, and guideway segment casting for the section has begun.⁴

Ramp H2R2

Ramp H2R2 is a loop ramp which connects in-bound Farrington Highway to in-bound Kamehameha Highway. The ramp was another component of the nine-station group that was revised in order to reduce costs. The construction contract for the ramp was awarded to Royal Contracting in May 2015.

Kamehameha Highway Station Group

The Kamehameha Highway Station Group consists of the Pearl Highlands, Pearlridge, and Aloha Stadium stations. The construction contract for the station group, which was part of the nine station group that was reorganized to reduce costs, is expected to be solicited in the first quarter of FY 2016.

Airport Section Guideway, Stations, and Utilities

Two construction contracts were planned and expedited in FY 2015: the Airport Section Utilities, for which construction is in progress, and the Airport Seven Piers, for which construction is complete. The contract for the construction of the guideway and stations is currently in procurement.

City Center Section Guideway, Stations, and Utilities

This section of the guideway has been combined with eight stations into a City Center Guideway and Stations design-build package scheduled to be advertised in late 2015. HART may issue an expedited utility contract.

OPERATIONS AND MAINTENANCE

The Operations and Maintenance Department continued to review all aspects of the H RTP from the operations and maintenance perspective to make recommendations to improve service, operability, maintainability, customer service, and cost effectiveness. In FY 2015, the department began work with the core systems contractor on a Maintenance Management Information System. The department also worked with DTS, OTS, and the HART Board of Directors on developing a fare policy.

SYSTEM SAFETY AND SECURITY

The System Safety and Security Department continued to focus its efforts in FY 2015 on developing a Safety and Security Certification Plan, which is required for certification by the FTA prior to revenue operation. Additionally, the Safety and Security Team collaborated with several law enforcement entities, the state Department of Transportation, and the state Oversight Manager to enhance security through design for

⁴ As of July 6, 2015

the H RTP. The department has achieved an on-the-job injury rate of 0.6 injuries per 100,000 work hours – a rate well below the 3.8 injuries per 100,000 work hours for similar projects.

QUALITY ASSURANCE

The HART-established Quality Assurance (QA) system was effectively implemented by the Quality Assurance Department during the past year. The major focus of QA activities included performing audits and surveillances, mentoring, and training appropriate staff to ensure that suitable proficiency is achieved and maintained, and participating in Quality Task Force meetings with stakeholders. The Quality Assurance team also reviewed, approved, and monitored the Quality Assurance Plans required of all contractors, consultants, and suppliers.

PUBLIC INFORMATION & COMMUNITY OUTREACH

Continuing its ongoing commitment to transparency, the Public Information and Outreach Department continued its multi-pronged approach in FY 2015 to keeping businesses and residents connected islandwide. The department maintained its strong construction outreach program to educate the public about field work, public safety during construction, and traffic impacts on the surrounding communities through community, town hall, HART Business Alliance meetings, as well as canvassing affected areas, disseminating traffic information to news media outlets, and staffing a 24-hour project hotline. HART's communications team sponsored media tours of the casting yard and the maintenance and storage facility, and on-site construction visits to explain to the media and the public how the guideway will be built. In partnership with state and city lawmakers, the HART Board of Directors began broadcasting its meetings on television and online, making its proceedings accessible to a wider audience.

CIVIL RIGHTS

In FY 2015, the Civil Rights Department staff focused on emphasizing HART's full commitment to a successful Disadvantaged Business Enterprise DBE effort by working directly with contractors and prospective DBE participants, and monitoring DBE participation. HART actively ensures that no person shall, on the grounds of race, color, creed, national origin, sex, disability, or age, be excluded from participation in, or denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part through federal assistance. HART employs a proactive approach to recruiting by attending and sponsoring job fairs, posting job openings on the appropriate websites, and disseminating employment-related information to minority and female community organizations. HART will continue to actively solicit and encourage female and minority individuals to apply for open positions in anticipation of future hiring needs.

GOVERNMENT RELATIONS

During the 2015 state legislative session, the Government Relations Department worked closely with its various partners in the state and city to extend the GET surcharge beyond its sunset date of 2022. Thanks to this partnership, the Legislature passed House Bill 134, which was signed into law by Governor Ige, thereby extending the GET for five years until 2027. HART will continue to work with its city partners, Honolulu's Mayor, and City Council to authorize the GET extension for five years.

The department also worked closely with the City Council and its committees to provide H RTP development updates relating to construction timelines, traffic advisories, interagency coordination to minimize impacts on traffic flow, contract issuances and change orders, transit station development, supplemental environmental impact statement efforts, as well as coordinated legislation that impacted the H RTP, including, but not limited to, HART's operating and capital budgets, issuance of general obligation bonds, revised debt financing plan, appointment of HART Board of Directors, and neighborhood transit-oriented development plans.

ADMINISTRATIVE SERVICES

In FY 2015, the Administrative Services Department worked to fill vacant positions with new employees; reassigned existing employees to areas where needed; make adjustments in employees' duties and responsibilities; make adjustments in the organizational structure of HART to meet the evolving requirements of the Project; and functioned in the full spectrum of Human Resources services to include labor relations, classification and pay, and payroll time and attendance. At the end of FY 2015, HART had 127 positions filled out of the 139 positions authorized in the Annual Operating Budget. Out of the 127 positions filled, 106 of them were city employees and 21 were filled by the Project Management Support Consultant. The staffing level is designed to ensure that HART has the technical capacity and capability to manage the implementation of the H RTP and meet the requirements of the FTA for managing major New Starts projects.

Administrative Services also continued to provide support in the areas of information technology network and desktop support, lease and asset management, general office management, and multi-media administration and management. Administrative Services also assumed a new role designing, building, and administering a separate project-wide network which provides connectivity, file sharing, print servers, and network security to all entities working on the rail project.

CONCLUSION

With the support of many partners, FY 2015 was a year of significant progress: construction continued at an unprecedented pace, the H RTP's current and future financing remains secure, and HART remains well-positioned to deliver on its promise

to build a safe, top-quality transit system for Oahu that will enhance our transportation network for generations to come.

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